THE HONORABLE MARC L. BARRECA
Hearing Date: October 7, 2011
Hearing Time: 9:30 am
Hearing Location: Seattle
Response Date: October 5, 2011
Chapter 7

THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re: ADAM R. GROSSMAN, Debtor.	NO. 10-19817 DECLARATION OF ADAM GROSSMAN IN REPLY TO RESPONSE OF JILL BORODIN AND CHAPTER 7 TRUSTEE

I am the Debtor herein.

It was never my intent to secret or otherwise transfer money out of the bankruptcy estate. I believed that as the Debtor-in-Possession I was authorized to conduct business in the ordinary course which, for me, was buying and selling real estate and interests in real estate. It was, and is, my intent that the $400,000 sale price, less some specific liens, for the real estate transferred by me be paid into the bankruptcy estate. I have not received any funds from those transfers.

Some of the money mixed up with the bankruptcy estate includes moneys invested by private individuals. I operated a fund that was registered with the Securities and Exchange Commission under Regulation D sections 504, 505, and 506. Money was held by me in trust and those funds should be returned to those investors through the administration of the bankruptcy estate. Contrary to the representation in the responses, I am working through my attorney to fully cooperate with the trustee and with a primary level of importance to ensure that investor money is returned to its rightful

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owners who, at the moment, have not been redeemed in full. I take my responsibility as a fiduciary who has been entrusted with other people's assets very seriously.

I could go into detail and specifics about each and every asset but I realize that the Court is hearing this matter on a shortened time basis and this is not the time nor the place to provide such detail. I realize that the real estate dealings are complicated and I am working with my attorney to try to make it clear and transparent to the trustee, but these transactions were consistent with how I've always done business.

I hereby declare under penalty of perjury under the laws of the State of Washington that the foregoing statements are true and correct to the best of my knowledge and belief.

Dated this 6th day of October, 2011.

/s/ Adam Grossman
Adam Grossman

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